


Total net assets	1250.92 M€	Inception date	Oct 28, 2005	MORNINGSTAR		
NAV	1517.13 €	ISIN Code	FR0010235507	OVERALL	★★★★★	
		Bloomberg Code	LAOBAOC	SUSTAINABILITY	🌐🌐🌐🌐🌐	
Country of registration			SFDR Classification Article 8			

MANAGER(S)



INVESTMENT POLICY

The management objective is to obtain, over the recommended investment period of 3 years, a performance net of fees higher than that of the reference indicator Capitalized Ester + margin (from 1.25% to 2.40% depending on the units) for units expressed in Euro, Fed Funds + margin (1.25% to 2% depending on the units) for units expressed in USD and SARON + 2.40% for the unit expressed in CHF.

RISK SCALE**



Recommended investment period of 3 years

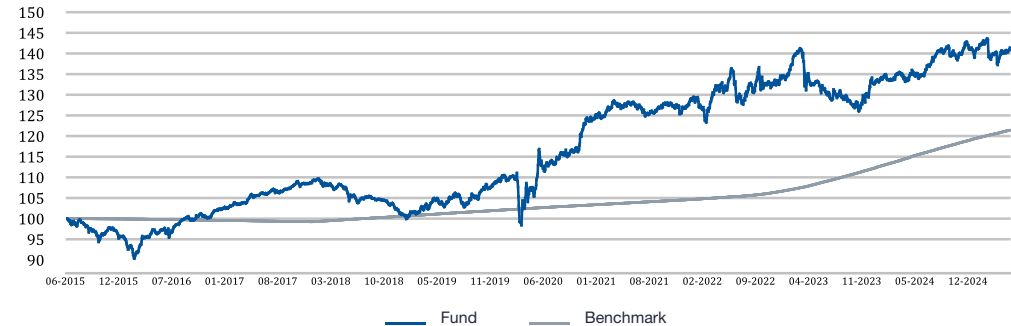
BENCHMARK INDEX

Ester capi + 2% depuis le 01/01/2022 ; Ester capi + 1,75% du 02/03/20 au 01/01/22; Auparavant Eonia capi +1,75%

FEATURES

Legal Form	SICAV
Legal Domicile	France
UCITS	Yes
SFDR Classification	Article 8
AMF Classification	International bonds
Eligibility to PEA (personal equity savings plan)	No
Currency	EURO
Subscribers concerned	Institutional
Inception date	28/10/2005
Date of share's first NAV calculation	28/10/2005
Management company	Lazard Frères Gestion SAS
Custodian	CACEIS Bank FR S.A
Fund administration	CACEIS Fund Admin
Frequency of NAV calculation	Daily
Order execution	For orders placed before 12:00 pm subscriptions and redemptions on next NAV
Subscription terms	D (NAV date) + 2 business day
Settlement of redemptions	D (NAV date) + 2 business day
Share decimalisation	No
Minimum investment	1 share
Subscription fees	Nil
Redemption fees	Nil
Management fees (max)	1.00% max
Performance fees (*)	Nil
Current expenses (PRIIPS KID)	1.02%

HISTORICAL NET ASSET VALUE (10 YEARS OR SINCE INCEPTION)



Past performance is no guarantee of future performance and is assessed at the end of the recommended investment period.

HISTORICAL PERFORMANCE

	Cumulative						Annualized		
	1 Month	YTD	1 Year	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years
Fund	0.75%	0.07%	5.03%	6.35%	28.37%	41.07%	2.07%	5.12%	3.50%
Benchmark	0.35%	1.91%	5.27%	15.40%	18.35%	21.41%	4.89%	3.43%	1.96%
Difference	0.40%	-1.84%	-0.24%	-9.05%	10.01%	19.66%	-2.82%	1.69%	1.54%

PERFORMANCE BY CALENDAR YEAR

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	5.72%	-0.60%	5.44%	2.76%	13.19%	8.78%	-7.19%	6.50%	6.48%	-1.63%
Benchmark	5.94%	5.39%	2.02%	1.21%	1.28%	1.39%	1.41%	-0.36%	-0.32%	-0.11%

TRAILING 1Y PERFORMANCE

	Fund	Benchmark
2025 05 31	5.03%	5.27%
2024 05 31	2.00%	6.04%
2023 05 31	-0.74%	3.38%
2022 05 31	4.02%	1.31%
2021 05 31	16.04%	1.24%
2020 05 31	7.18%	1.35%
2019 05 31	-1.95%	1.42%
2018 05 31	-0.66%	0.37%
2017 05 31	8.47%	-0.35%
2016 05 31	-2.95%	-0.20%

RISK RATIOS***

	1 Year	3 Years
Volatility		
Fund	5.23%	6.84%
Benchmark	0.08%	0.19%
Tracking Error	5.22%	6.84%
Information ratio	-0.05	-0.36
Sharpe ratio	0.36	-0.05

**Risk scale : For the SRI methodology, please refer to Art. 14(c) , Art. 3 and Annexes II and III PRIIPs RTS

(*) Please refer to the Prospectus for more details about the performance fees

(3) Ratios calculated on a weekly basis

PORTFOLIO CHARACTERISTICS

	Yield to worst	Yield to call	Yield to maturity	Spread vs Govies (bps)	Modified Duration	Credit Sensitivity
Gross (Net hedged FX)	4.5%	4.7%	5.4%	241	3.2	3.2
Net (hedged FX/CDS/Taux)	4.0%	4.2%	4.9%	198	5.5	2.5

Estimates of yields, OAS spreads or sensitivities are based on LFG's best judgment for all securities included in the portfolio as of the date mentioned (cash excluded). LFG does not provide any guarantee.

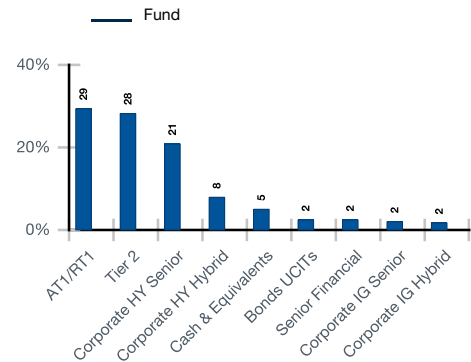
AVERAGE RATING

Issues Rating*	Issuers Rating*
BB+	BBB
	*Average rating

MAIN HOLDINGS

Holdings	Weight
JYSKE BANK A/S TV 24-13FE--S	1.0%
PIRAEUS FIN.HOLD.TV 21-16JN--S	1.0%
RAIFFEIS.BK.TV(COCO)24-25NO--S	0.9%
PIRAEUS FIN.TV(EMTN)24-18SE35A	0.9%
IBERCAJA BCO TV 23-25JA--T	0.9%

SUBORDINATION BREAKDOWN (%)

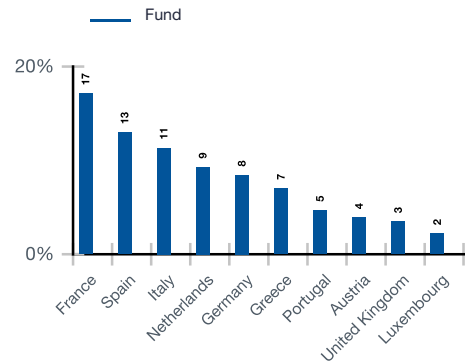


CURRENCY BREAKDOWN (%)

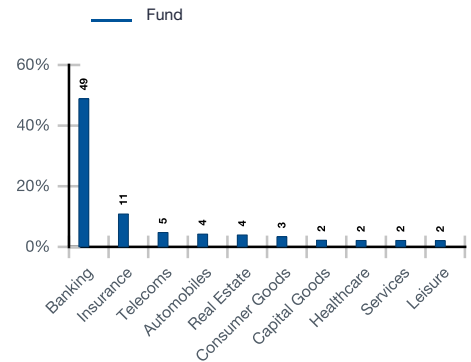
Currencies	Net weight	Gross weight
EUR	98.8%	95.7%
USD	0.1%	2.8%
GBP	0.1%	0.6%
Others	1.0%	1.0%

*Net exposure of FX hedges.

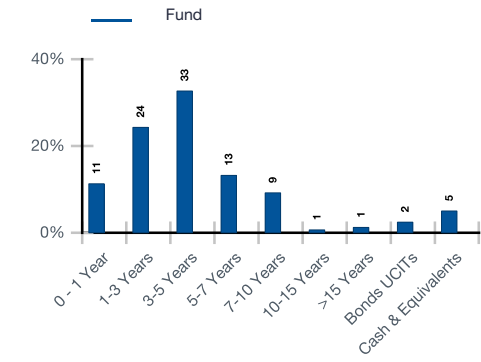
GEOGRAPHICAL BREAKDOWN % (Top Ten)



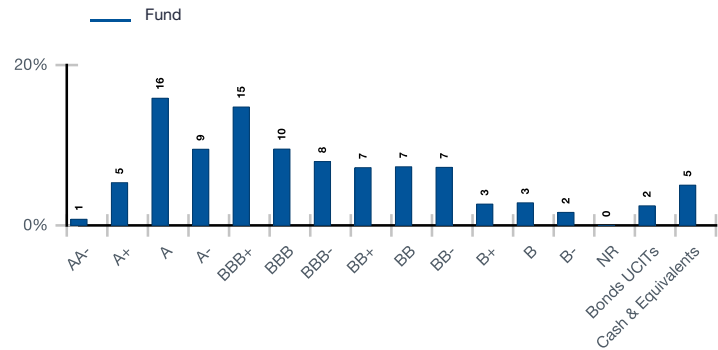
SECTOR BREAKDOWN % (Top Ten)



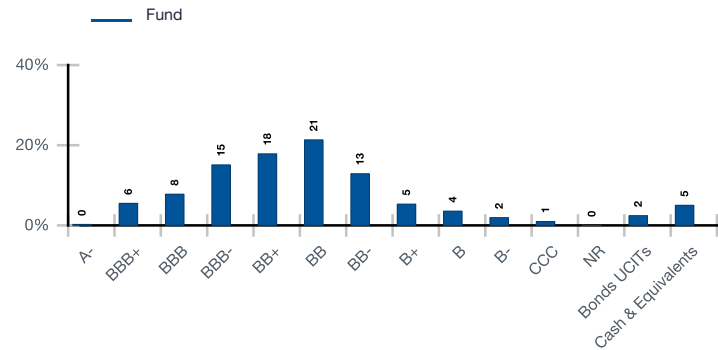
MATURITY BREAKDOWN % (Next call Date)



ISSUER RATING BREAKDOWN (%)



ISSUE RATING BREAKDOWN (%)



FUND MANAGERS COMMENT

During May, improving economic figures, the lowering of tariffs between the United States and China and a preliminary agreement between the US and the UK are prompting investors to rule out the likelihood of a global economic slowdown. The sovereign bond market is gradually pricing in these optimistic factors. The German two-year yield rose by 9bp to 1,78%, while the 2-10 year curve flattened by 3bp to 72bp. Yield spreads in the Eurozone tightened slightly. However, US Treasuries went through a much more difficult period due to growing concerns about the fiscal situation following Moody's downgrading of the US credit rating. Attention also focused on the tax bill currently before Congress. May was a mixed month for long-term sovereign bond issuance, with demand falling sharply, reflecting investor caution about certain countries' fiscal deficits and debt management. Under pressure, yields on 30-year US and Japanese bonds reached 5,15% and 3,20% respectively before stabilising. At the end of the month, trade tensions temporarily returned to the forefront following the announcement of 50% US tariffs on European products, which had little impact on bond markets as the measure was postponed until July 9th following discussions with Ursula Von der Leyen.

The Federal Reserve kept rates unchanged between 4,25% and 4,50%, highlighting the risks of a moderating labour market, rising unemployment and a rebound in inflation. At the end of May, investors were pricing in around 53bp of rate cuts from the Federal Reserve in 2025, nearly 54bp from the ECB and 36bp from the Bank of England.

Spreads on financial bonds therefore tightened over the month: -14bp for Senior, -20bp for Tier 2 and -41bp for AT1 (-30bp for euro-denominated AT1). For insurers, we saw a tightening of -11bp on Senior and -21bp on Subordinated. This resulted in a positive performance across the entire capital structure, with increases of +0,5% for Senior, +0,7% for Tier 2, +1,6% for AT1 (+1,7% for euro-denominated AT1), and +0,4% and +1,1% respectively for Senior and Subordinated insurance. The primary market was particularly active following earnings releases, and the issues were well received with solid order books.

In addition, European financial institutions continued to report excellent results for the first quarter of 2025, both in the banking and insurance sectors, with guidance at this stage unaffected by tariffs.

In IG corporate credit, credit spreads tightened in May across the entire capital structure (-11bp on Senior and -15bp on hybrids) amid slightly higher rates and easing trade disputes between China, Europe and the US. The asset class posted a slightly positive performance for the month of +0,44% thanks to tighter spreads and carry.

May was a record month with about €63 billion issued, largely absorbed and order books oversubscribed by an average of three times, reflecting the strength and depth of the market.

All sectors tightened, with the automotive, real estate and media sectors reversing most of their April widening. Conversely, healthcare and consumer goods underperformed. The Q1 2025 earnings season continued, in line with expectations.

Corporate High Yield credit rose by rose by +1,35% in May, driven by a sharp tightening of risk premiums (-51bp) and carry, while sovereign yields rose slightly during the month (+8bp on the German 5-year). All rating segments were up, with B ratings outperforming. The primary market was very buoyant, with nearly €16 billion in new issues, a record volume, making it the second busiest month for new issues after October 2024. This record volume was well absorbed by investors' appetite for the asset class. All sectors posted positive performances in May. In terms of ratings, there were several upgrades in the leisure sector thanks to positive momentum in certain credits. Moody's raised David Lloyd's outlook to positive, while Fitch upgraded Carnival's rating to BB+. There were also a number of positive moves in the healthcare sector. Fitch upgraded Teva's rating to BB+ thanks to a good pipeline and the potential sale of TAPI. On the other hand, there were still negative movements in the automotive sector.

The portfolio performed well over the month, buoyed by a credit effect that benefited from tighter risk premiums, particularly in the riskiest asset classes (Sub fins, Corp HY), which retraced their April underperformance. This positive movement in risk premiums offset the negative interest rate effect linked to the rise in interest rates during the month. The portfolio ended May with a credit sensitivity of 2,5 and a modified duration of 5,5.

CONTACTS AND ADDITIONAL INFORMATION

Glossary :

Alpha represents the return of a portfolio that is attributable to the manager's investment decisions.
Beta measures a fund's sensitivity to movements in the overall market.
Information ratio represents the value added by the manager (excess return) divided by the tracking error.
Sharpe ratio measures return in excess of the risk free rate for every unit of risk taken.
Tracking error measures the volatility of the difference between a portfolio's performance and the benchmark.
Volatility is a measure of the fund's returns in relation to its historic average.
Yield to Maturity indicates the rate of return generated if a security is held to its maturity date.
Coupon Yield is the annual coupon value divided by the price of the bond.
Average Credit Spread is the credit spread of a bond over LIBOR, taking into account the value of the embedded option.

Average Rating is the weighted average credit rating of bonds held by the Fund.

Modified Duration is the percentage change in the value of a bond resulting from a 1% interest rate change.

Average Maturity is the average time to maturity of all bonds held by the Fund.

Spread Duration is the sensitivity of a bond price to a change in spreads.

Yield is the internal rate of return of a bond if held to maturity, but not accounting for conversion features of a convertible bond.

Delta represents the sensitivity of convertible bonds held by the Fund to a change in the underlying security price.

Website: www.lazardfreresgestion.com

France
Lazard Frères Gestion, S.A.S, 25 rue de Courcelles, 75008 Paris
Telephone : +33 1 44 13 01 79

Belgium and Luxembourg
Lazard Fund Managers (Ireland) Limited, Belgium Branch
326 Avenue Louise, 1050 Brussels, Belgium
Telephone: +32 2 626 15 30/ +32 2 626 15 31
Email: lfm_belgium@lazard.com

Germany and Austria
Lazard Asset Management (Deutschland) GmbH
Neue Mainzer Str. 75, 60311 Frankfurt am Main
Telephone: +49 69 / 50 60 60
Email: fondsinformationen@lazard.com

Italy
Lazard Asset Management (Deutschland) GmbH
Via Dell'Orso 2, 20121 Milan
Telephone: + 39-02-8699-8611
Email: fondi@lazard.com

Spain, Andorra and Portugal
Lazard Fund Managers (Ireland) Limited, Sucursal en España
Paseo de la Castellana 140, Piso 10º, Letra E, 28046 Madrid
Telephone : + 34 91 419 77 61
Email: contact.es@lazard.com

United Kingdom, Finland, Ireland, Denmark, Norway and Sweden
Lazard Asset Management Limited 50 Stratton Street, London W1J 8LL
Telephone : 0800 374 810
Email: contactuk@lazard.com

Switzerland and Liechtenstein
Lazard Asset Management Schweiz AG Uraniast. 12, CH-8001 Zürich
Telephone : +41 43 / 888 64 80
Email: lfm.ch@lazard.com

Netherlands
Lazard Fund Managers (Ireland) Limited.
Amstelplein 54, 26th floor 1096BC Amsterdam
Telephone: +31 / 20 709 3651
Email: contact.NL@lazard.com

Non-contractual document: This is a marketing communication. This document is provided for the information of unitholders or shareholders in accordance with applicable regulations. It does not constitute investment advice, an invitation or an offer to subscribe to financial instruments. Investors should read the prospectus carefully before subscribing. Please note that not all share classes are authorised for distribution in all jurisdictions. No investment in the portfolio will be accepted until it has been properly registered in the relevant jurisdiction.

France: Any person requiring information in relation to the Fund mentioned in this document is required to consult the prospectus and the PRIIPS KID which are available on request from Lazard Frères Gestion SAS. The information contained in this document has not been independently verified or audited by the statutory auditors of the UCITS(s) concerned. This information is provided by Lazard Frères Gestion SAS, 25, rue de Courcelles 75 008 Paris.

Switzerland and Liechtenstein: Lazard Asset Management Schweiz AG, Uraniastrasse 12, CH-8001 Zurich. The representative in Switzerland is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, the Paying Agent is Banque Cantonale de Genève, 17, quai de l'île, CH-1204 Geneva. For further information please visit our website, contact the Swiss representative or visit www.fundinfo.com. The paying agent in Liechtenstein is LGT Bank AG, Herrengasse 12, FL-9490 Vaduz. Not all share classes of the respective sub-fund are registered for distribution in Liechtenstein and are aimed exclusively at institutional investors. Subscriptions may only be made on the basis of the current prospectus. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming shares.

United Kingdom, Finland, Ireland, Denmark, Norway and Sweden: The information is approved, on behalf of Lazard Fund Managers (Ireland) Limited, by Lazard Asset Management Limited, 50 Stratton Street, London W1J 8LL. Company registered in England and Wales under number 525667. Lazard Asset Management Limited is authorised and regulated by the United Kingdom's Financial Conduct Authority (FCA).

Germany and Austria: Lazard Asset Management (Deutschland) GmbH, Neue Mainzer Strasse 75, 60311 Frankfurt am Main is authorised and regulated in Germany by the Federal Financial Supervisory Authority (BaFin). The Paying Agent in Germany is Landesbank BadenWürttemberg, Am Hauptbahnhof 2, 70173 Stuttgart; the Paying Agent in Austria is UniCredit Bank Austria AG, Rothschildplatz 1, 1020 Vienna.

Belgium and Luxembourg: This information is provided by the Belgian Branch of Lazard Fund Managers Ireland Limited, Blue Tower Louise, Avenue Louise 326, Brussels, 1050 Belgium. The Paying Agent and the Representative in Belgium for the registration and the receipt of requests for issuance or repurchase of units or for switching sub-funds for French funds is RBC Investor Services Bank S.A. : 14, Porte de France, L-4360 Esch-sur-Alzette-Grand Duché de Luxembourg

Italy: This information is provided by the Italian branch of Lazard Asset Management (Deutschland) GmbH. Lazard Asset Management (Deutschland) GmbH Milano Office, Via Dell'Orso 2 - 20121 Milan is authorised and regulated in Germany by BaFin. Not all the share classes of the relevant sub-fund are registered for marketing in Italy and they are intended exclusively for institutional investors. Subscriptions may only be made on the basis of the current prospectus. The Paying Agent for the French funds are Société Générale Securities Services, Via Benigno Crespi, 19, 20159 Milano, and BNP Paribas Securities Services, Piazza Lina Bo Bardi, 3, 20124 Milano.

Netherlands: This information is provided by the Dutch branch of Lazard Fund Managers (Ireland) Limited, which is registered with the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten).

Spain and Portugal: This information is provided by the Spanish branch of Lazard Fund Managers Ireland Limited, Paseo de la Castellana 140, Piso 100, Letra E, 28046 Madrid and registered with the National Securities Market Commission (Comisión Nacional del Mercado de Valores or CNMV) under number 18.

Andorra: Only for financial entities authorised in Andorra. This information is provided by the Spanish branch of Lazard Fund Managers Ireland Limited, Paseo de la Castellana 140, Piso 100, Letra E, 28046 Madrid and registered with the National Securities Market Commission (Comisión Nacional del Mercado de Valores or CNMV) under number 18. This information is approved by Lazard Asset Management Limited (LAML). LAML and the Fund are not regulated or authorised or registered in the official registers of the Andorran regulator (AFA) and, accordingly, Shares in the Fund may not be offered or sold in Andorra through active marketing activities. Any order transmitted by an authorised Andorran financial entity for the purpose of acquiring Units in the Fund and/or any commercial document relating to the Fund shall be communicated in response to an unsolicited contact from the investor.

For any complaint, please contact the LAM or LFG office in your country. You will find the contact details above.

LAZARD FRÈRES GESTION
SAS au capital de 14 487 500 € – 352 213 599 RCS Paris – 25 rue de Courcelles 75008 Paris
www.lazardfreresgestion.fr